



Handling Customer Complaints

Establishing a Customer Complaint Resolution Process

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Management finds out about customer dissatisfaction through two mechanisms: Voice and Exit. “Voice” represents complaints ... the voice of the customer. “Exit” occurs when the customer stops buying or using the services. All of us have exited at one time or another, for example, if you’ve changed your doctor, telephone carrier, or plumber due to poor service.

Service providers employ all sorts of strategies to avoid customer turnover. Smart organizations know that it is not enough to have the lowest price or the best technology – there always seems to be a competitor who can do it better or cheaper. There are no guarantees, but one of the best customer retention strategies is to provide superior customer service. And that means listening to your customers.

How well do you listen and respond to complaints from your customers? We all **aim** to be customer focused ... we **claim** to be customer focused ... but we need to become **MORE CUSTOMER FOCUSED**.

Although listening and responding is necessary, it’s not good enough. Too often, a response is reactionary and you can easily find yourself reacting over and over again to the same complaint (sometimes this is called “firefighting”). We need to listen and **PROACT**. That means listening to the voice of the customer and making process improvements based on that feedback so that the same complaints don’t recur.

A complaint is any measure of dissatisfaction with your product or service, even if it’s unfair, untrue, or painful to hear! Complaints may be about:

- Service Content, Delivery or Quality
- Personnel
- Requests
- Communication
- Response Time
- Documentation
- Billing
- Follow Up

To increase the visibility of complaints, you should:

- **Listen to the Customer** - Complaints don’t always identify themselves. Someone who is requesting the same information for the 5th time isn’t asking for information anymore ... it’s a complaint!
- **Solicit Complaints** - Everyone in the organization should collect and report complaints. All this input should funnel to one place where your objective is to build a valid database of complaints. Most of us are accustomed to environments in which receiving customer complaints is considered negative – an interruption to doing business. But in the Customer Complaint Resolution Process,

the more complaints you log, the better! This is one of the biggest cultural issues for organizations to overcome.

- **Record Complaints** - Create complaint categories that make sense for your organization. For example, data that tells you that you had 123 complaints about adoptions last month tells you nothing. The 123 complaints need to be broken down into categories so that you can get to a root cause analysis.

If you only respond to complaints without correcting the root cause, you're spinning your wheels and you'll find yourself fighting fires instead of putting them out for good. You can identify root cause if you collect, categorize, and analyze complaints. As a result, process improvements will be complaint-driven and thus should be high-priority.

This is a customer complaint resolution process that anyone can implement:

- ✓ **Focus on the Customer**
If you can't immediately solve the problem, respond to the customer and identify an "owner" who will be responsible for final resolution. Complete the communications loop with customer. If you've referred the complaint to others, make sure there's closure. If you've left the customer hanging without a response, you've become part of the problem.
- ✓ **Focus on the Complaint**
Collect all complaints from all external customers and categorize them in a way that allows you to analyze data to see trends, patterns, concentrations, tendencies, etc.
- ✓ **Focus on Process Improvement**
Use the database of complaints to define processes that are important from the customer's perspective and to improve the most critical ones. Based on analysis of the database, make appropriate investments to prevent issues that result in customer complaints. Look for permanent improvements to response time, cycle time, internal processes related to the complaints, and complaint frequency.

If you can think of complaints as useful data for making process improvements in your organization, you will go a long way towards making changes that will differentiate you and make your work life easier, more fun, and more responsive to customer needs.